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1. A method of distributing movies to customer households comprising the steps of:

under authority of content providers who control the distribution rights to movies, on an ongoing periodic basis (e.g., monthly) producing digital movie disks that contain multiple new release movies recorded in accordance with a proprietary digital rights management protocol and also producing digital movie disks that contain multiple classic/older movies also recorded in accordance with a proprietary digital rights management protocol;

providing customer households with movie disk reader devices having means for playing back movies from the movie disks in accordance with the proprietary digital rights management protocol;

distributing the new release movie disks to movie customers on a periodic (e.g., monthly) basis and permitting customers to order selected ones of the classic/older movie disks; and

permitting customers to view desired movies from the new release disks or the classic/older movie disks through their movie disk reader devices with the customers paying a viewing fee only for movies that are actually viewed.

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--2. A method of distributing movies to customers, comprising:

under authority of content providers, producing digital movie disks that include multiple movies recorded on the disks in accordance with a defined digital recording procedure;

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providing customers with movie disk reader devices for playing back movies from said movie disks; and

the customers using the movie disk reader devices to view movies from said movie disks; and

charging each of th customers a viewing fee only for movies viewed by the customer.

3. A method according to Claim 2, wherein the producing step includes the step of recording on the movie disks multiple new release movies.

4. A method according to Claim 2, wherein the step of providing the customers with the movie disks includes the step of distributing the move disks to the customers on a periodic basis.

5. A method according to Claim 4, wherein the step of distributing the movie disks to the customer includes the step of distributing the move disks to the customers on a monthly basis.

6. A method according to Claim 2, wherein the producing step includes the step of recording on the movie disks classic/older movies.

7. A method according to Claim 6, wherein the step of providing the customers with the movie disks includes the step of permitting customers to order selected ones of the classic/older movie disks.

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8. A method according to Claim 2, wherein the defined recording procedure is a proprietary procedure.

9. A method according to Claim 2, wherein the step of producing the movie disks includes the step of encrypting the digital movie data on the disks.

10. A method according to Claim 2, wherein the step of providing customers with the reader devices includes the step of providing each of the reader devices with a first, unique identification number.

11. A method according to Claim 10, wherein the step of providing each of the reader devices with the identification number includes the step of the customers selecting the identification numbers for the reader devices.

12. A method according to Claim 10, further comprising the step of transmitting information between the reader devices and a system central computer system.

13. A method according to Claim 12, wherein the transmitting step includes the step of, the reader devices transmitting the first unique identification numbers to the central computer system.

14. A method according to Claim 13, wherein the step of transmitting information includes the further step of, when each reader device transmits its first identification number to the

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central computer, the reader device also transmitting a second unique identification code to the central computer.

15. A method according to Claim 14, wherein the step of transmitting information includes the further step of, when the central computer receives the first and second identification numbers from one of the reader devices, the central computer creating a digital rights management code and sending said code to said one of the reader devices.

16. A method according to Claim 15, wherein, when the central computer sends said code to said one of the reader devices, the central computer also sends to said one of the reader devices instructions for the amount of available credit that the reader device can draw upon.

17. A method according to Claim 13, wherein the step of transmitting information includes the further step of, when each reader device transmits its first identification number to the central computer, the reader device also transmitting to the central computer data identifying movies that have been played on the reader device.

18. A method according to Claim 17, wherein the step of transmitting information includes the step of, when each reader device transmits its first identification number to the central computer, the reader device also transmitting to the central computer information identifying the dates and times that movies have been played on the reader device.

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19. A method according to Claim 2, wherein the step of providing the reader devices includes the step of providing each reader device with a first table listing standard pricing rules for a first category of movies.

20. A method according to Claim 19, wherein the step of providing the reader devices includes the step of providing each reader device with a second table listing exception pricing rules for a second category of movies.

21. A video movie distribution system, comprising:

a multitude of digital movie discs that include multiple movies recorded on the discs by use of a defined digital recording protocol;

means for distributing the movie discs to customers;

a multitude of reader devices, wherein each of the customers has one of the reader devices for playing back movies on the discs in accordance with the defined protocol; and

means for charging each of the customers a viewing fee only for movies actually played on the customer's reader device.

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22. A system according to Claim 21, wherein said movie discs include a first group of discs having new release movies recorded thereon, and a second group of discs having classic/older movies recorded thereon.

23. A system according to Claim 22, wherein the distributing means distributes the discs having new release movies to the customers on a periodic basis and permits customers to order selected ones of the discs having the classic/older movies.

24. A system according to Claim 21, wherein said defined protocol is a proprietary protocol.

25. A system according to Claim 21, wherein each of the reader devices has a first unique identification number.

26. A system according to Claim 25, further comprising a central, system computer, and wherein information is transmitted between said computer and the reader devices.

27. A system according to Claim 26, wherein each of the reader devices transmits its first unique identification number, and a second unique identification number to the central computer; and in response to receiving first and second unique identification numbers from one of the reader devices, the central computer creates a digital rights management code and sends said code to the reader device.

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28. A system according to Claim 27, wherein when the central computer sends said code to said one of the reader devices, the central computer also sends to said one of the reader devices instructions for the amount of available credit that the reader device can draw upon.

29. A system according to Claim 27, wherein when each reader device transmits its first identification number to the central computer, the reader device also transmits to the central computer information identifying the dates and times that movies have been shown on the reader device.

30. A system according to Claim 21, wherein each of the reader devices includes a first table listing standard pricing rules for a first category of movies, and a second table listing exception pricing rules for a second category of movies.

31. A system for playing movies digitally recorded on discs according to a defined protocol, the system comprising:

a multitude of playback devices for playing the discs according to the defined protocol; and

a system computer;

wherein the playback device transmits to the system computer information describing the use of the playback device and the system computer transmits information to the playback devices, each playback device is associated with a customer and the system computer, using information transmitted to the system computer from the playback devices, charges each

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customer only for movies actually shown on the playback device associated with the customer.

32. A system according to Claim 31, wherein said defined protocol is a proprietary protocol.

33. A system according to Claim 31, wherein said discs include a first group of discs having new release movies, and a second group of discs having classic/older movies.

34. A system according to Claim 31, wherein each of the playback devices has a unique first identification number.

35. A system according to Claim 34, wherein the playback devices transmit the first unique identification numbers to the system computer.

36. A system according to Claim 34, wherein when the system computer receives the first unique identification number from one of the playback devices, the system computer creates a digital rights management code and sends the code to said one of the playback devices.

37. A system according to Claim 31, wherein each playback device transmits to the system computer information identifying the dates and times that movies are shown on the playback devices.



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38. A system according to Claim 31, wherein when the system sends said code to said one of the reader devices, the system computer also sends to said one of the reader devices instructions for the amount of available credit that said one of the reader device can draw upon.

39. A system according to Claim 31, wherein each of the reader devices includes an associated first table listing standard pricing rules for a first category of movies.

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~~39.~~ A system according to Claim 38, wherein each of the reader devices includes an associated second table listing exception pricing rules for a second category of movies.

41. A system according to Claim 39, wherein the system computer includes means for changing the pricing rules listed in the first and second tables. - -

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